

-Rep. Hall Advocates Responsible Drilling to Develop Adequate Supply of Oil Quickly-Goshen, NY

– Today U.S. Rep. John Hall (D-NY19) urged immediate action to increase America's domestic oil supply and lower oil prices. Hall called for a release of oil from the Strategic Petroleum Reserve to increase supply in the U.S. – an action that has been proven to lower oil prices in the past. Hall also insisted that oil companies should start drilling on 68 million acres of land that they already have under lease.

"We should be acting as quickly as possible to put additional oil on the market and take the edge off prices," said Hall. "Everyone in the Hudson Valley who drives a car or uses fuel oil in their homes is hit hard by today's sky-high prices. We need to use the Strategic Petroleum Reserve to increase supply immediately and we need to produce more American oil in the right places right now."

Currently oil companies hold leases on 68 million acres that are available for drilling, but are sitting idle. If the oil companies were to drill on this land, which has already been approved by the government for production, they could almost double U.S. oil production and cut imports by one-third.

This week, Hall helped introduce the Drill Responsibly Leased Lands (DRILL) Act (H.R. 6515), legislation that would bar Big Oil from obtaining further leases until the companies have drilled what they have already leased. It would also spur production on leased lands by penalizing oil companies for letting such land sit idle.

"We need more oil to help bring prices down, and we can't let oil companies just sit on top of supply that belongs to the American people without bringing it to market for their benefit," said Hall.

Hall pushed another action that the Bush Administration could take that would lower oil prices quickly: releasing a limited amount of oil from the Strategic Petroleum Reserve (SPR). This would immediately put more oil on the U.S. market to alleviate supply pressures. The SPR has been tapped or suspended by the last three Presidents in times of need. In 2000, President Clinton initiated action using the SPR that brought the price of oil down by nearly 20 percent in a week. In 1991 a release under the first President Bush resulted in a price drop of \$8 per barrel. The current President Bush also released SPR oil in the wake of price spikes caused by Hurricane Katrina. The SPR is 97% full and holds over 700 million barrels.

"We could easily release 30 million barrels without compromising the safety net provided by the SPR," said Hall. "We have the oil, we can use it, and we should release it. The SPR is available to help our energy supply situations in times of economic crisis. Families in the Hudson Valley are facing an economic crisis. The oil in the SPR and on already leased lands is represents the most oil, the fastest oil, and the most responsible oil we can put on the market to give them relief."

The DRILL Act would increase domestic oil supply by these additional measures:

- Speeding the development of the National Petroleum Reserve-Alaska (NPR-A) by

requiring the Secretary of Interior to offer at least one lease sale annually in the NPR-A. The NPR-A contains 10.6 billion barrels of oil on 20 million acres that are already approved for drilling.

- Calling on President Bush to facilitate the completion of oil pipelines into the NPR-A and to facilitate the construction of pipeline from Alaska to deliver oil to the U.S. market.

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